

**NORTH BAY-MATTAWA CONSERVATION AUTHORITY
MINUTES
of the**

FIFTH Meeting of the North Bay-Mattawa Conservation Authority held at 5:30 p.m. on May 22, 2019 in the North Bay-Mattawa Conservation Authority Natural classroom, 15 Janey Avenue North Bay, Ontario.

MEMBERS PRESENT:

Bonfield, Township of	-	Jane Lagassie	(5:30pm – 7:15pm)
Callander, Municipality of	-	Rob Noon	(5:30pm – 7:15pm)
Mattawa, Town of	-	Loren Mick	(5:30pm – 7:15pm)
Mattawan, Municipality of	-	Michelle Lahaye	(5:30pm – 7:15pm)
North Bay, City of	-	Dave Mendicino	(5:55pm – 7:15pm)
North Bay, City of	-	Chris Mayne	(5:30pm – 7:15pm)
North Bay, City of	-	Simon Blakeley	(5:30pm – 7:15pm)
Papineau –Cameron, Township of	-	Shelley Belanger	(5:30pm – 7:15pm)
Powassan, Municipality of	-	Dave Britton	(5:30pm – 7:15pm)

MEMBERS ABSENT:

Calvin, Township of	-	Dean Grant
Chisholm, Township of	-	Nunzio Scarfone
East Ferris, Municipality of	-	Pauline Rochefort
North Bay, City of	-	Simon Blakeley

ALSO PRESENT:

Brian Tayler, CAO, Secretary-Treasurer
Dean Decaire, BDO
Kurtis Romanchuk, Water Resources Engineer
Paula Scott, Director, Planning & Development/Deputy CAO
Rebecca Morrow, Administrative Assistant
Sue Buckle, Manager, Communications & Outreach
Valerie Murphy, Regulations Officer

1. Chair's remarks

The Chair congratulated staff on keeping up with the extra amount of work required in regards to the recent flood forecasting and warning events.

2. Approval of the Agenda

The Chair welcomed everyone to the meeting and extended regrets on behalf of Dean Grant, Nunzio Scarfone, Pauline Rochefort and Simon Blakeley. After discussion the following resolution was presented:

Resolution No. 54-19, Mick-Lahaye

THAT the agenda be approved as amended.

Carried Unanimously

3. Confirmation of Delegation(s)

No delegations.

4. Delegations

None.

5. Adoption of Previous Minutes of April 24, 2019

After discussion, questions and answers the following resolution was presented:

Resolution No. 55-19, Belanger-Noon

THAT the minutes from the April 24, 2019 meeting are adopted as presented.

Carried Unanimously

6. Declaration of Pecuniary Interest

None declared.

7. Staff Presentation

Valerie Murphy, Regulations Officer presented a Power Point presentation to the members on Development, Interference with Wetlands and Alterations to Shoreline and Watercourses. Her presentation outlines area of jurisdiction, types of work that permits are required for and the permitting process. After discussion, the members thanked Valerie for her presentation.

8. Section 28 Approvals

The members reviewed the reports. After discussion, the following resolutions were presented:

Resolution No. 56-19, Belanger-Mick

THAT the Development, Interference with Wetlands and Alterations to Shorelines and Watercourses May 13, 2019 board report is received and appended to the minutes of this meeting.

Carried Unanimously

Resolution No. 57-19, Britton-Lahaye

THAT the proposed work as described in Application File RCALL-19-04 with the conditions as outlined in Valerie Murphy, Regulations Officer's Report is approved, and

FURTHER THAT the report be appended to the minutes of this meeting.

Carried Unanimously

9. Audited Financial Statements

Dean Decaire, BDO presented the members with the Draft 2018 Audited Financial Statement. After discussion, the members thanked Dean for his presentation and the following resolution was presented:

Resolution No. 58-19, Lagassie-Mendicino

THAT the Board of Directors receives and approves the 2018 audited financial statements prepared by BDO as presented, and

FURTHER THAT the 2018 audited financial statements are appended to the minutes of this meeting.

Carried Unanimously

10. Spring Freshet update

Brian Tayler and Kurtis Romanchuk gave an update on the spring Freshet conditions. After discussion, the Members thanked Brian and Kurtis for their update.

11. New Business

None reported

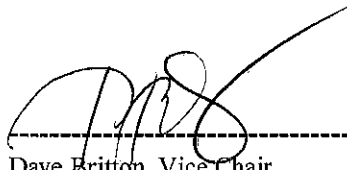
12. Adjournment (7:15p.m.)

As there was no new business, the following resolution was presented:

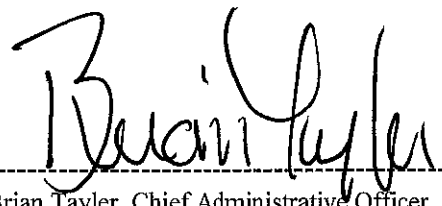
Resolution No. 593-19, Lagassie-Noon

THAT the meeting be adjourned, and the next meeting be held at 5:30 pm Wednesday June 26, 2019 at the Authority Office, 15 Janey Avenue, North Bay, Ontario or at the call of the Chair.

Carried Unanimously



Dave Britton, Vice Chair



Brian Tayler, Chief Administrative Officer, Secretary Treasurer

TO: The Chairman and Members
of the Board of Directors,
North Bay-Mattawa Conservation Authority

ORIGIN: Valerie Murphy, Regulations Officer

DATE: May 13, 2019

SUBJECT: Report On Development, Interference with Wetlands, and
Alterations to Shorelines and Watercourses Permits for board
approval

Background:

Section 28 of the *Conservation Authorities Act*, and subsequently Ontario Regulation 97/04 empowers each Conservation Authority to establish their own regulation to prevent the loss of life and property due to flooding and erosion, and to conserve and enhance natural resources. On May 4, 2006 the North Bay-Mattawa Conservation Authority (NBMCA) received its regulation entitled the Development, Interference with Wetlands, and Alterations to Shorelines and Watercourse Regulation (Ontario Regulation 177/06). This regulation will continue to be used as the tool by which the NBMCA manages issues related to development in natural hazard areas including areas with floodplains, wetlands and steep slopes. Within this regulation, a permit may be given by an Authority for development applications within the Authority's jurisdiction for:

28(1)(b) prohibiting, regulating or requiring permission of the authority for straightening, changing, diverting or interfering in any way with the existing channel of a river, creek, stream or watercourse, or for changing or interfering in any way with a wetland;
28(1)(c) prohibiting, regulating or requiring the permission of the authority for development if, in the opinion of the authority, the control of flooding, erosion, dynamic beaches or pollution or the conservation of land may be affected by the development.(Conservation Authorities Act, R.S.O. 1990, Chapter C.27).

On February 8, 2013, the amended Ontario Regulation 177/06 came into effect. These amendments were approved by the NBMCA Board of Directors on December 19, 2012. One of the amendments that was included, and which was approved by the NBMCA Board of Directors, included the delegation of approvals of permit applications to the following designated employees:


- Chief Administrative Officer, Secretary-Treasurer
- Director, Planning & Development

As such, this Board Report is being presented to the NBMCA Board of Directors for information purposes.

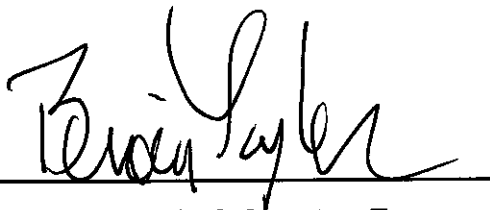
Analysis:

Nine new permits were issued by the Conservation Authority in 2019 since the previously approved minutes as per the policies, procedures and guidelines of the NBMCA under Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Regulation. A table summarizing the details of these permits is attached to this report.

Of these nine permits, two were issued for the placement of fill and site grading, one permit was issued for each of the following activities: the construction of an addition to an existing dwelling, the reconstruction of a boathouse, a renovation to an existing building, the construction of a new single family dwelling, the construction of a dock, the construction of a deck and the replacement of a failed culvert.



Valerie Murphy, Regulations Officer



Brian Tayler, CAO-Secretary Treasurer

DEVELOPMENT, INTERFERENCE WITH WETLANDS AND ALTERATIONS TO SHORELINES AND WATERCOURSES

FOR NBMCA BOARD INFORMATION ON: May 13, 2019 PERMIT YEAR: 2019

File No.	Name of Applicant	Municipality	Legal Description/ Address	Name of Regulated Feature	Nature of Work	Date Complete Application Received	Development Interference with Wetlands and Alterations to Shorelines and Watercourses Permit/NOV Date of Issuance
REF-19-04	Pamela and Mike Jackson	East Ferris	Con 17 Pt. Lot 20 RP 36R5854 395 Centennial Crescent	Trout Lake	Addition/renovation to existing dwelling	March 25, 2019	#7-19 April 25, 2019
REF-19-02	Gilles Perron	East Ferris	Con 3 Lot 17 PCL 5745 55 Perron Crescent	Lake Nosbonsing	Reconstruct boathouse	March 21, 2019	#8-19 April 25, 2019
RNB-19-06	City of North Bay Wastewater Treatment Plant	North Bay	Plan 22 650 Memorial Drive	Chippewa Creek	Renovation for electrical room	April 16, 2019	#9-19 April 25, 2019
RCALL-19-03	Kim O'Donnell	Callander	Pt Lot 12 Plan 42 M620 39 Marine Drive	Callander Bay	New single family dwelling	April 16, 2019	#10-19 April 25, 2019
RNB-19-09	Dr. S Graham	North Bay	Plan 36M264 Lot 24 Incl. Con C Pt Lot 9, 255 West Peninsula Road	Trout Lake	Place fill to backfill area washed out by flooding caused by blocked culvert	May 2, 2019	#11-19 May 2, 2019
RNB-19-07	Michael Bell	North Bay	Con 2 Pt. Lot 12 PCL 7171 PCL 5950 5029 W/F 1300A Four Mile Lake Road	Four Mile Lake	To reconstruct existing deck on lake side of dwelling	April 30, 2019	#12-19 May 8, 2019

DEVELOPMENT, INTERFERENCE WITH WETLANDS AND ALTERATIONS TO SHORELINES AND WATERCOURSES

FOR NBMCA BOARD INFORMATION ON: May 13, 2019

PERMIT YEAR: 2019

RNB-19-08	City of North Bay (Mark Thomas)	North Bay	Con C Pt. Lot 16 RP 36R5697 Part 1 to 4 P36R5960 Part 1 Armstrong Park	Trout Lake	To re-grade existing drainage swale, to place rip rap at the outlet of the drainage swale and complete site grading near canoe club	April 29, 2019	#13-19 May 9, 2019
RNB-19-10	Jim and Judy Reid	North Bay	Con A Pt. Lot 8 RP 36R7764 Parts 1 to 3 RP 36R11248 Pt Part 1 PCL 18964 WF 5961 Highway 63	Unnamed Watercourse	To replace failed culvert	May 6, 2019	#14-19 May 9, 2019
RNB-18-58	Steven and Kerri McRoberts	North Bay	Pt. Lot 29 36M569 2541 Northshore Road	Trout Lake	To construct a new dock, shed and gravel pathway	December 17, 2018	#15-19 May 10, 2019

TO: The Chairman and Members of the Board of Directors,
North Bay-Mattawa Conservation Authority

ORIGIN: Valerie Murphy, Regulations Officer

DATE: May 22, 2019

SUBJECT Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Application (NBMCA File No. RCALL-19-04) – Addition to existing Animal Hospital
1878 Highway 94, Plan M38 Lots 681-686 and RP 42R 17377 Parts 2 and 4 PCL 6747 and 6596 NS
Municipality of Callander
Zoned C2-1 Local Commercial Exception

The North Bay-Mattawa Conservation Authority (NBMCA) has received a Development, Interference with Wetlands and Alterations to Shorelines and Watercourses (DIA) application from Dr. Neil Lawrence, Callander Animal Hospital to construct an addition to his existing Animal Hospital at 1878 Highway 94 in the Municipality of Callander (Figure 1). This proposal is to expand the space of the existing business by 66.5m² off the end of the existing building. A plan of development is appended to this document.

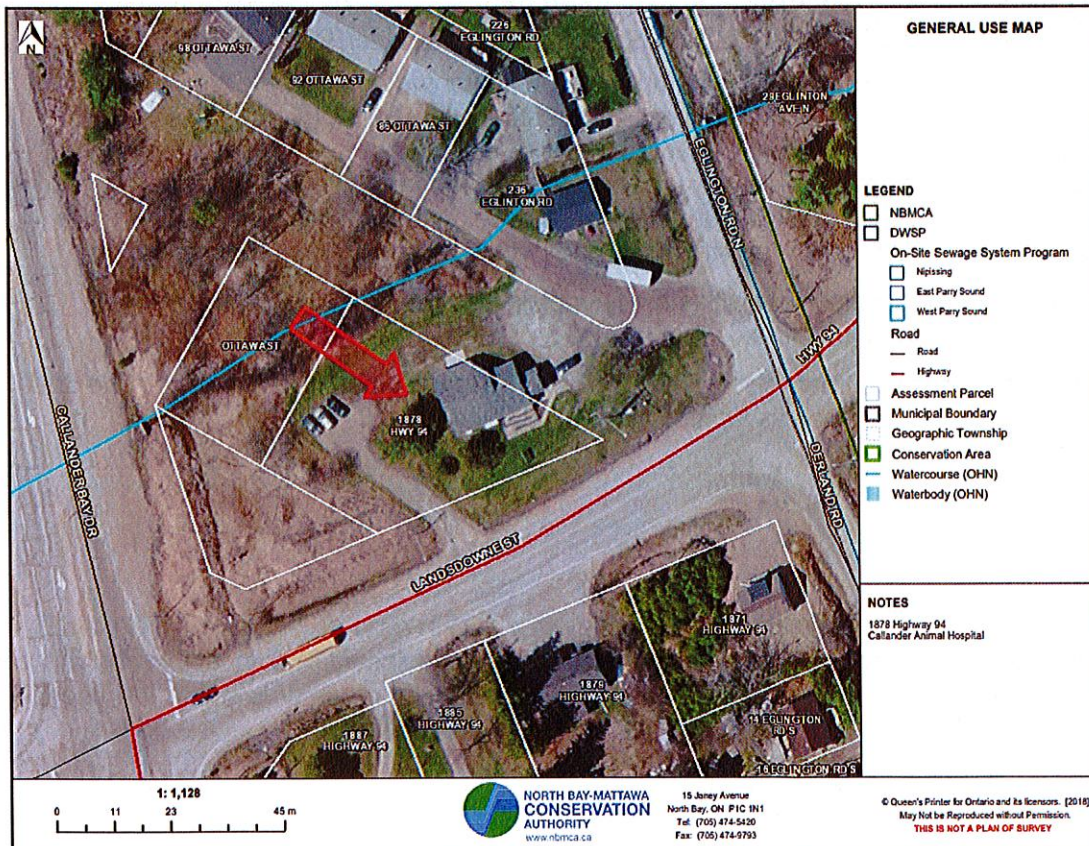


Figure 1: Proposed work area – 1878 Highway 94, Callander Animal Hospital

Background

There is existing development (building) on the property that is currently being operated as an Animal Hospital. There is also a small watercourse along the back (north end) of the property. Watercourses have an associated floodplain. A site plan with existing and proposed development can be found in Appendix 1.

Development on the subject property is regulated by NBMCA under Ontario Regulation 177/06 (Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Regulation) due to the presence of the watercourse and its associated floodplain.

Ontario Regulation 177/06 applies to this project:

- **Development within river or stream valleys that have depressional features associated with a river or stream, whether or not they contain a river or stream** (Section 2(1)(b) of the Regulation).

Current Policy:

NBMCA's current policy is to direct development outside of the floodplain of a One-Zone floodplain. In this case, this proposal would be denied.

Proposed Policies for the Administration of Ontario Regulation 177/06 Development, Interference with Wetlands and Alterations to Shorelines and Watercourses:

NBMCA is currently undertaking the development of *Policies for the Administration of Ontario Regulation 177/06 Development, Interference with Wetlands and Alterations to Shorelines and Watercourses*. This undertaking has included the detailed review of other Conservation Authority development policies. The proposed policy is consistent with those of other Conservation Authorities and while may be more permissive in nature, may allow development in low risk situations while maintaining the safety and protection of structures and people in areas regulated by NBMCA.

In the proposed policies, development within the floodplain of a One-Zone policy area may be permitted under certain circumstances.

Section 3.4.2 of this draft document discusses Policies for Riverine Flood Hazard Limits. The draft policies are addressed in the Analysis Section.

Analysis

A floodplain analysis was undertaken by the Water Resources Engineer. The floodplain analysis can be found in Appendix 2. The analysis determined that the entire property is within the floodplain associated with the watercourse running along the north of the property.

How does this relate to the draft One-Zone Policies:

Section 3.4.2.11 of draft policy:

Additions to existing commercial/industrial/institutional buildings or structures may be permitted in accordance with the policies for One-Zone Policy Areas, and where it can be demonstrated that:

- The addition is 50% or less of the original ground floor area of the building or structure to a maximum of 100m²,
 - o The proposed addition is 46% of the original ground floor area and is a total of 66.5m².
- No basement is proposed and any crawl space is designed to facilitate services only.
 - o There is a crawl space proposed, that will be sealed

The proposed policies for One-Zone floodplains include:

Development associated with existing uses located within a Riverine Flooding Hazard may be permitted in accordance with the policies in Sections 2.1.1-2.1.6 – General Policies, and where it can be demonstrated that:

- a) there is no feasible alternative site outside the Riverine Flooding Hazard,
 - Since the entire property is floodplain, there is no feasible alternative development site on the property,
- b) the site is not subject to frequent flooding,
 - Based on the floodplain analysis completed by the Water Resources Engineer, the proposed addition is located partly within an area of frequent flooding and the floodway (1:25 year flood event) of the watercourse.
 - The existing building is also located in this area.
 - The proposed addition is located within an area of least risk (e.g. in line with the existing building, not subject to high velocity waters).
- c) ingress and egress is “dry” where this standard can be practically achieved, or floodproofed to an elevation which is practical and feasible, but no less than “safe”,
 - Ingress and egress are considered safe.
- d) floodproofing to an elevation of 0.3 meters above the regulatory flood elevation in accordance with floodproofing standards outlined in Appendix E – Floodproofing and Access Standards,
 - The property owner has been advised that the entire property (existing building as well as the proposed addition) is within the floodplain of the watercourse to the north of the property.
 - The property owner has been advised that a portion of the proposed addition is subject to up to 0.7m of floodwaters during the Regulatory Storm Event (Timmins Storm).
 - The proposed addition will be constructed to a level where floodproofing can be achieved to a level of 0.3m above the elevation of the Regulatory Storm. This would include ensuring all external openings, such as doors, windows and vents are above this elevation.

- e) there is no risk of structural failure due to potential hydrostatic/dynamic pressures, and
 - Based on Ministry of Natural Resources and Forestry Technical Guide – River and Stream Systems: Flooding Hazard Limit, brick veneer, frame structures and concrete block structures with limited or no reinforcement would not be subject to damage by hydrostatic pressure up to 0.8m. Based on this, there should not be structural impacts caused by hydrostatic pressure. The western most portion of this proposed addition would be subject to 0.7m of flooding,

- f) there is no loss of flood storage (i.e. cut & fill volumes are balanced),
 - It is staff opinion that based on the size of the proposed addition, the volume of flood storage occupied by the proposed addition would be negligible and not suspected to have a measurable impact to the storage of flood waters.

Recommendations for DIA Permit for the Proposed Addition

The objective of this proposal is to maintain the existing use of the property and development within the hazard.

Conservation Authority staff have concluded that the supporting documentation and analyses completed with respect to this proposal demonstrate that the control of flooding, erosion, pollution and the conservation of land will not be negatively impacted by the proposed development.

It has been made clear to the owner of the property that the current building would be subject to flooding during the Regulatory Flood Event (Timmins storm). The addition, although subject to flooding, would be floodproofed by ensuring all openings would be above the elevation of the Regulatory Flood Elevation (212.0m) plus 0.3m freeboard.

Proposed Works as described in Application File RCALL-19-04

Based on the information submitted to this office, it is understood that the project involves the following works:

- The construction of a 66.5m² addition to an existing commercial building

Recommended Resolution:

THAT permit 18-19, with its Specific Conditions outlined in the Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Application (NBMCA File RCALL-19-04), Dr. Neil Lawrence, Callander Animal Hospital, Municipality of Callander, with updated design plans addressing floodproofing be approved and appended to the minutes of this meeting, and THAT this report be appended to the minutes of this meeting.

Proposed Specific Conditions for DIA Permit for the Proposed Development

General Conditions:

1. This permit is issued for the above works ONLY. Any further work may require additional permits from this office.
2. The subject work shall proceed as per your Development, Interference with Wetlands and Alterations to Shorelines and Watercourses application and plans received by this office (attached).
3. Any deviation from the plans submitted to the Conservation Authority or the construction schedule must be discussed with, and approved in writing by, the North Bay-Mattawa Conservation Authority.
4. This permit does not exempt the applicant from obtaining permission from other agencies having jurisdiction over the proposed works.
5. Authorized representatives of the North Bay – Mattawa Conservation Authority may, at any time, enter onto the lands which are described herein in order to make any surveys, examinations, investigations or inspections which are required for the purposes of ensuring that the work(s) authorized by this permit are being carried out according to the terms of this permit.

Site Grading Conditions:

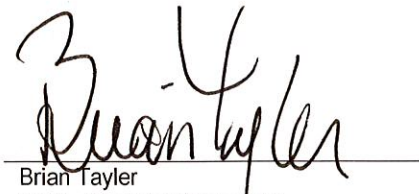
6. All disturbed areas on the subject property shall be stabilized upon the completion of work.
7. No fill shall be permitted on the property outside of the boundary of the proposed addition.
8. Should sedimentation on the work site become an issue, a sediment control measure shall be installed to isolate the work area from the watercourse. If this measure is required, it shall be maintained throughout the work phase and remain in place until the site has been stabilized.

Development Conditions:

9. There shall be no external openings (door, window, vent) below the Regulatory Flood Elevation of 212.30m.


Valerie Murphy
Regulations Officer


Kurtis Romanchuk
Water Resources Engineer


Brian Tayler
CAO - Secretary Treasurer

APPENDIX 1

Development plan and Survey

[Faint handwritten text, possibly a signature or date]

**North Bay-Mattawa
Conservation Authority
Financial Statements
For the year ended December 31, 2018**

North Bay-Mattawa Conservation Authority
Financial Statements
For the year ended December 31, 2018

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Independent Auditor's Report

To the Members of North Bay-Mattawa Conservation Authority

Opinion

We have audited the financial statements of North Bay-Mattawa Conservation Authority (the Organization), which comprise the statement of financial position as at December 31, 2018, the statements of operations, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants, Licensed Public Accountants
North Bay, Ontario
May 22, 2019

**North Bay-Mattawa Conservation Authority
Statement of Financial Position**

December 31	2018	2017
Financial assets		
Cash and cash equivalents	\$ 631,978	\$ 535,348
Accounts receivable (Note 3)	188,419	179,456
Notes receivable (Note 4)	106,346	124,639
	926,743	839,443
Liabilities		
Accounts payable and accrued liabilities	57,299	159,138
Deferred revenue (Note 5)	772,169	532,023
Net long-term liabilities (Note 6a)	674,086	703,315
Employee future benefits (Note 7)	99,677	113,710
	1,603,231	1,508,186
Net debt	(676,488)	(668,743)
Non-financial assets		
Tangible capital assets (Note 2)	14,175,544	14,442,620
Prepaid expenses	12,624	13,241
	14,188,168	14,455,861
Accumulated surplus (Note 8)	\$ 13,511,680	\$ 13,787,118

On behalf of the Board:

_____ Director

_____ Director

North Bay-Mattawa Conservation Authority Statement of Operations

For the year ended December 31	2018 Budget	2018 Actual	2017 Actual
Revenues (Note 12)			
Core - Grant eligible	\$ 813,861	\$ 799,834	\$ 773,078
Core - Other	1,020,508	1,011,014	950,968
Core Capital	1,781,814	1,077,584	1,001,467
Interpretive Centre	190,436	184,643	186,908
Laurentian Ski Hill Capital	65,000	65,000	61,134
Laurentian Ski Hill Operating	60,000	60,000	-
Gain on disposal of tangible capital assets	-	1,129	23,125
	<u>3,931,619</u>	<u>3,199,204</u>	<u>2,996,680</u>
Expenses (Note 13)			
Core - Grant eligible	813,861	775,517	756,966
Core - Other	1,020,508	993,383	836,868
Core Capital	1,781,814	1,028,242	1,009,770
Interpretive Centre	190,436	186,663	174,633
Laurentian Ski Hill Capital	65,000	31,739	4,273
Laurentian Ski Hill Operating	60,000	33,108	-
Amortization of tangible capital assets	-	425,990	422,352
	<u>3,931,619</u>	<u>3,474,642</u>	<u>3,204,862</u>
Annual deficit for the year	-	(275,438)	(208,182)
Accumulated surplus, beginning of year		<u>13,787,118</u>	13,995,300
Accumulated surplus, end of year		<u>\$ 13,511,680</u>	<u>\$ 13,787,118</u>

The accompanying notes are an integral part of these financial statements.

**North Bay-Mattawa Conservation Authority
Statement of Change in Net Debt**

For the year ended December 31	2018 Budget	2018 Actual	2017 Actual
Annual deficit	\$ -	\$ (275,438)	\$ (208,182)
Acquisition of tangible capital assets	-	(158,914)	(62,763)
Amortization of tangible capital assets	-	425,990	422,352
Gain on disposition of tangible capital assets	-	(1,129)	(23,125)
Proceeds of disposition of tangible capital assets	-	1,129	23,125
	-	(8,362)	151,407
Acquisition of prepaid expenses	-	(12,624)	(13,241)
Use of prepaid expenses	-	13,241	12,758
	-	617	(483)
Change in net debt	-	(7,745)	150,924
Net debt, beginning of year	(668,743)	(668,743)	(819,667)
Net debt, end of year	\$ (668,743)	\$ (676,488)	\$ (668,743)

The accompanying notes are an integral part of these financial statements.

North Bay-Mattawa Conservation Authority Statement of Cash Flows

For the year ended December 31	2018	2017
Cash provided by (used in)		
Operating transactions		
Annual deficit	\$ (275,438)	\$ (208,182)
Items not involving cash		
Amortization of tangible capital assets	425,990	422,352
Gain on disposal of tangible capital assets	(1,129)	(23,125)
	<u>149,423</u>	<u>191,045</u>
Changes in non-cash working capital balances		
Accounts receivable	(8,963)	(81,900)
Notes receivable	18,293	18,294
Prepaid expenses	617	(483)
Accounts payable and accrued liabilities	(101,839)	(41,151)
Deferred revenue	240,146	25,720
Employee future benefits	(14,033)	(6,186)
	<u>283,644</u>	<u>105,339</u>
Capital transactions		
Acquisition of tangible capital assets	(158,914)	(62,763)
Proceeds of disposition of tangible capital assets	1,129	23,125
	<u>(157,785)</u>	<u>(39,638)</u>
Financing transactions		
Repayment of long-term debt	(29,229)	(93,076)
Increase (decrease) in cash and cash equivalents during the year	96,630	(27,375)
Cash and cash equivalents, beginning of year	<u>535,348</u>	<u>562,723</u>
Cash and cash equivalents, end of year	\$ 631,978	\$ 535,348

The accompanying notes are an integral part of these financial statements.

North Bay-Mattawa Conservation Authority

Notes to Financial Statements

December 31, 2018

1. Significant Accounting Policies

Nature of the Organization The Authority manages a program designed to further the conservation, restoration, development and management of natural resources other than gas, oil, coal, and minerals in the North Bay - Mattawa area. The Authority was incorporated under the Conservation Authorities Act of Ontario. The Authority is a registered charitable organization and is exempt from income taxes under the Canadian Income Tax Act.

Management's Responsibility for the Financial Statements The financial statements of the Authority are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards.

Cash and Cash Equivalents Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

Notes Receivable The Authority records loans receivable at fair value when the loan is issued. The loan receivable is subsequently measured at the lower of cost and net recoverable value. When the Authority becomes aware that the loan is no longer recoverable, the loan is reduced by the amount of the loss and any loss is included in expenses for the period.

Tangible Capital Assets Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land	no amortization
Buildings	20 to 50 years
Infrastructure	5 to 50 years
Vehicles	3 to 5 years
Power equipment	5 to 20 years
Equipment	4 to 10 years

North Bay-Mattawa Conservation Authority

Notes to Financial Statements

December 31, 2018

1. Significant Accounting Policies (continued)

Employee Future Benefits The Authority offers non-pension post-retirement benefits to employees through non-pension defined benefit plans. The costs associated with these future benefits are actuarially determined using the projected benefits method prorated on service and best estimate assumptions. (See Note 7).

Liabilities for vacations and vested sick leave credits earned but not taken are accrued as earned.

The Authority is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Authority has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles.

The Authority records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

Revenue Recognition Provincial grant revenues are recognized in the year to which the program relates and expenditures are incurred in accordance with the terms and conditions of the respective grants. Municipal operating levies are recognized in the year they are levied to member municipalities and capital or special levies are recognized as funds are utilized on the applicable projects. Other revenues are recognized when they are invoiced and collection is reasonably assured.

Deferred Revenue Certain amounts are received pursuant to agreements including specific levies and may only be used in the conduct of certain programs or in the delivery of specific services. These amounts are deferred when conditions or stipulations have not been met under the terms of these agreements.

North Bay-Mattawa Conservation Authority Notes to Financial Statements

December 31, 2018

1. Significant Accounting Policies (continued)

Use of Estimates

The preparation of the financial statements in conformity with Canadian public sector accounting standards, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements are the estimated useful life of tangible capital assets and the estimates involved in employee future benefits. Actual results could differ from management's best estimates as additional information becomes available in the future.

**North Bay-Mattawa Conservation Authority
Notes to Financial Statements**

December 31, 2018

2. Tangible Capital Assets

	Land	Buildings	Infrastructure	Vehicles	Power Equipment	Equipment	Total
Cost, beginning of year	\$ 6,908,633	\$ 3,653,967	\$ 9,016,323	\$ 187,028	\$ 82,698	\$ 536,924	\$ 20,385,573
Additions	69,000	-	24,171	32,461	-	33,282	158,914
Disposals	-	-	-	-	(305)	-	(305)
Cost, end of year	6,977,633	3,653,967	9,040,494	219,489	82,393	570,206	20,544,182
Accumulated amortization, beginning of year	-	1,046,651	4,360,430	81,307	64,235	390,330	5,942,953
Amortization	-	75,805	278,705	39,125	1,895	30,460	425,990
Disposals	-	-	-	-	(305)	-	(305)
Accumulated amortization, end of year	-	1,122,456	4,639,135	120,432	65,825	420,790	6,368,638
Net carrying amount, end of year	\$ 6,977,633	\$ 2,531,511	\$ 4,401,359	\$ 99,057	\$ 16,568	\$ 149,416	\$ 14,175,544

**North Bay-Mattawa Conservation Authority
Notes to Financial Statements**

December 31, 2018

2. Tangible Capital Assets (continued)

	2017						
	Land	Buildings	Infrastructure	Vehicles	Power Equipment	Equipment	Total
Cost, beginning of year	\$ 6,908,633	\$ 3,653,967	\$ 8,993,810	\$ 212,326	\$ 88,698	\$ 525,995	\$ 20,383,429
Additions	-	-	22,513	29,321	-	10,929	62,763
Disposals	-	-	-	(54,619)	(6,000)	-	(60,619)
Cost, end of year	6,908,633	3,653,967	9,016,323	187,028	82,698	536,924	20,385,573
Accumulated amortization, beginning of year	-	970,846	4,082,692	103,205	66,822	357,655	5,581,220
Amortization	-	75,805	277,738	32,721	3,413	32,675	422,352
Disposals	-	-	-	(54,619)	(6,000)	-	(60,619)
Accumulated amortization, end of year	-	1,046,651	4,360,430	81,307	64,235	390,330	5,942,953
Net carrying amount, end of year	\$ 6,908,633	\$ 2,607,316	\$ 4,655,893	\$ 105,721	\$ 18,463	\$ 146,594	\$ 14,442,620

**North Bay-Mattawa Conservation Authority
Notes to Financial Statements**

December 31, 2018

3. Accounts Receivable

	<u>2018</u>	<u>2017</u>
Sales tax recoverable	\$ 20,171	\$ 18,458
Fees for services and other	<u>168,248</u>	<u>160,998</u>
	<u>\$ 188,419</u>	<u>\$ 179,456</u>

4. Notes Receivable

	<u>2018</u>	<u>2017</u>
Equipment loan (i)	\$ 40,000	\$ 50,000
Operating loan (ii)	<u>66,346</u>	<u>74,639</u>
	<u>\$ 106,346</u>	<u>\$ 124,639</u>

Notes receivable are due from Laurentian Ski Hill Snowboarding Club with the following terms:

- (i) Equipment loan, interest free with annual principal repayments of \$10,000 commenced May 1, 2013 for 10 years. The receivable is secured by a charge against the equipment purchased with the loan. The receivable was recorded at cost on initial recognition.
- (ii) Operating loan, interest free with annual principal repayments of \$8,293 to commence May 1, 2017 for 10 years. The receivable is secured by a general security agreement over all assets of Laurentian Ski Hill Snowboarding Club. The receivable was recorded at cost on initial recognition.

North Bay-Mattawa Conservation Authority Notes to Financial Statements

December 31, 2018

5. Deferred Revenue

	2018	2017
Balance, beginning of year	\$ 532,023	\$ 506,303
Contributions received	1,072,051	920,953
Amounts recognized to revenue	(831,905)	(895,233)
Balance, end of year	\$ 772,169	\$ 532,023

Year end balances consist of the following:

	2018	2017
Municipal levies	\$ 510,476	\$ 322,200
Provincial grants	261,693	209,823
	\$ 772,169	\$ 532,023

6. Credit Facility Agreements

a. Long-term Liabilities

	2018	2017
Loan payable to the City of North Bay, repayable in annual installments equal to \$10,000. The loan is interest free and is due May 2023.	\$ 40,000	\$ 50,000
Loan payable - 2.59%, due June 2022, repayable in monthly installments of \$3,001 principal and interest.	634,086	653,315
	\$ 674,086	\$ 703,315

The interest bearing loan payable contains certain debt covenants regarding (i) financial reporting to the lender, (ii) standard covenants regarding the operation of the organization, (iii) restrictions on further borrowing without the lender's consent, and (iv) debt service coverage. The Authority was in compliance with all covenants as at December 31, 2018. Currently the authority has available to it an unused committed reducing term facility totalling \$508,448 available at fixed or floating rate term loans.

North Bay-Mattawa Conservation Authority Notes to Financial Statements

December 31, 2018

6. Credit Facility Agreements (continued)

a. Long-term Liabilities (continued)

Principal repayments estimated over the next five years and thereafter on these loans are as follows:

2019	\$	29,841
2020		30,361
2021		30,894
2022		18,867
2023		<u>564,123</u>
	\$	<u>674,086</u>

b. Line of Credit

The Authority also has a demand operating line of credit with its Canadian chartered bank permitting advances to a maximum of \$300,000 bearing interest at the bank's prime rate plus 0.25%. The balance utilized on this line at year end was \$Nil (2017 - \$Nil).

7. Employee Future Benefits

At December 31, this liability consists of the following:

	2018	2017
Accrued vacation for active employees	\$ 43,372	\$ 53,363
Post-retirement benefits (i)	<u>56,305</u>	<u>60,347</u>
	<u>\$ 99,677</u>	<u>\$ 113,710</u>

(i) These costs are determined in accordance with accepted actuarial practice. The figures presented are from an actuarial valuation report dated December 31, 2018. Selected information about this plan is as follows:

**North Bay-Mattawa Conservation Authority
Notes to Financial Statements**

December 31, 2018

7. Employee Future Benefits (continued)

	<u>2018</u>	<u>2017</u>
Accrued benefit liability, beginning of year	\$ 60,347	\$ 54,227
Current service costs	4,028	3,873
Interest cost on obligation	2,490	2,247
Benefit payments	(224)	-
Actuarial gain	<u>(10,336)</u>	<u>-</u>
Accrued benefit liability, end of year	<u>\$ 56,305</u>	<u>\$ 60,347</u>

Included in wages and salaries is a net benefit expense as follows:

	<u>2018</u>	<u>2017</u>
Current service costs	\$ 4,028	\$ 3,873
Interest cost on obligation	2,490	2,247
Benefit payments	<u>(224)</u>	<u>-</u>
	<u>\$ 6,294</u>	<u>\$ 6,120</u>

Discount rate used at January 1	4%
Discount rate used at December 31	3.75%
Total value of plan assets	\$Nil
Expected average remaining service life of active employees	10.287 years
Health & medical cost inflation trend	6.5% in first year reducing by 0.5% until 4% attained

North Bay-Mattawa Conservation Authority Notes to Financial Statements

December 31, 2018

8. Accumulated Surplus

	2018	2017
General surplus (deficit)	\$ (217,275)	\$ (115,037)
Reserve - Septic building permit	155,645	175,184
Reserve - Laurentian Ski Hill Capital	134,637	101,376
Reserve - Laurentian Ski Hill Operating	26,892	-
Reserve - Land Acquisition	10,000	-
Tangible capital assets	14,175,544	14,442,620
Amounts to be recovered from future revenues	(773,763)	(817,025)
	\$ 13,511,680	\$ 13,787,118

9. Pension Agreements

The Authority makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer pension plan, on behalf of full-time members of staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to nearly half a million active and retired members and approximately 1,000 employers.

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2018. The results of this valuation disclosed total going concern actuarial liabilities of \$100,081 million in respect of benefits accrued for service with actuarial assets at that date of \$95,890 million indicating a going concern actuarial deficit of \$4,191 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Authority does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the Authority to OMERS for 2018 were \$133,456 (2017 - \$129,723).

North Bay-Mattawa Conservation Authority Notes to Financial Statements

December 31, 2018

10. Laurentian Ski Hill Snowboarding Club

Effective December 1, 2004 the operation of the business segment known as Jack Pine Hill was transferred by way of legal agreement to the Laurentian Ski Hill Snowboarding Club, a local not-for-profit organization, for proceeds of \$Nil. Under the terms of this agreement the Authority maintains legal title/ownership to a majority of the fixed assets of Jack Pine Hill and will provide the use of these assets to the Laurentian Ski Hill Snowboarding Club at an annual operating fee of \$29,220, plus an annual economic increase. The term of this agreement is to May 31, 2021 at which time the Laurentian Ski Hill Snowboarding Club may renew the agreement with the Authority by giving notice thereof in writing.

11. Segmented Reporting

The Canadian Institute of Chartered Accountants Public Sector Accounting Handbook Section PS 2700, Segment Disclosures, establishes standards on defining and disclosing segments in a government's financial statements. Government organizations that apply these standards are encouraged to provide the disclosures established by this section when their operations are diverse enough to warrant such disclosures.

12. Sources of Revenues

	2018	2017
Municipal levies	\$ 990,013	\$ 1,017,902
Provincial grants	683,551	648,885
Permits and fees	763,566	826,824
Other (i)	678,452	484,097
Donations	83,622	18,972
	<u>\$ 3,199,204</u>	<u>\$ 2,996,680</u>

(i) Included in other is internal rent and administration fees in the amount of \$277,867 (2017 - \$268,498).

**North Bay-Mattawa Conservation Authority
Notes to Financial Statements**

December 31, 2018

13. Expenses by Object

	<u>2018</u>	<u>2017</u>
Wages and benefits	\$ 1,996,192	\$ 1,857,152
Program related expenses (i)	585,979	477,956
Occupancy expenses and utilities (i)	200,798	201,601
Consulting and other professional fees	66,178	51,824
Travel	60,847	55,328
Insurance	51,569	53,515
Bank charges and interest on long-term debt	26,108	28,957
Equipment rental and purchases	21,811	10,115
Office	21,192	21,857
Training	8,552	11,459
Promotional expenses	4,763	5,581
Repairs and maintenance	4,664	7,165
Amortization	425,989	422,352
	<u>\$ 3,474,642</u>	<u>\$ 3,204,862</u>

(i) Included in occupancy expenses and utilities and program related expenses are internal rent charges and administration fees in the amount of \$277,867 (2017 - \$268,498).